

ND Sarraf Jewels Wholesale Private Limited

February 10, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	56.89 (Reduced from 59.50)	CARE BBB-; Stable	Upgraded from CARE BB+; Stable
Long-term / Short-term bank facilities	74.00 (Enhanced from 31.00)	CARE BBB-; Stable / CARE A3	Upgraded from CARE BB+; Stable / CARE A4+

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in ratings assigned to bank facilities of ND Sarraf Jewels Wholesale Private Limited reflects the growing scale of operations across its wholesale and retail segments supported by improvement in gold prices and volume growth, a comfortable financial risk profile, and the promoters' extensive experience in the gold and jewellery industry. Ratings also take cognisance of the favourable resolution of the income tax raid proceedings, with the assessment concluded without additional liability on the company. However, ratings remain constrained by margin sensitivity to volatility in gold prices, a geographically concentrated presence with sales largely focused in Varanasi and adjoining regions and B2B customers comprising smaller jewellers, and the highly competitive and fragmented nature of the gems and jewellery industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the scale of operations and operating profitability, resulting in stronger cash flow from operations and improved liquidity profile on a sustained basis.
- Improvement in its capital structure with total debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) below 1.75x on a sustained basis.

Negative factors

- Decline in its scale of operations and moderation in PBILDT margin below 4% on a sustained basis.
- Deterioration in its capital structure with total debt to PBILDT above 2.25x on a sustained basis.

Analytical approach: Combined

The financials of group entities of ND Sarraf Jewels Wholesale Private Limited, including Narayan Das Sarraf Jewellers Private Limited, Krishna Radha Krishna Jewellery Manufacturing Private Limited, and Radha Krishna Payal Bhandar Private Limited are combined considering common promoters and management, similar line of business and inter-company transactions in the form of sale and purchase. Combined entities are provided in Annexure-6.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the group will maintain its operational performance and financial risk profile over the medium term, supported by experience of its promoters and established brand name.

Detailed description of key rating drivers:

Key strengths

Volatile, although healthy scale of operations

The group's total operating income (TOI) improved by 41% and stood at ₹1,157.43 crore for FY25 (FY refers to April 01 to March 31) driven by higher sales volumes and a modest price increase of ~10-12%. However, the TOI continues to remain volatile attributed to the price-sensitive nature of the industry and the highly competitive business environment. The margins of the

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

company remain moderate due to trading nature of its business as marked by PBILDT margin of 4.99% and profit after taxation (PAT) margin of 2.92%.

Comfortable financial risk profile

The group's total debt comprised term loan of ₹74.70 crore, and working capital loan of ₹44.01 crore. The group's overall gearing ratio stood comfortable below unity at 0.57x as on March 31, 2025 (PY: 0.63x) supported by its strong net worth base of ₹212.45 crore. The coverage indicators remained comfortable as marked by PBILDT interest coverage of 6.85x (PY: 6.49x) and moderate total debt to gross cash accruals (TD/GCA) of 3.24x in FY25 (PY: 2.65x).

Experienced promoters

The group is promoted and managed by brothers, Shri Krishna Aggarwal and Radha Krishna Aggarwal. Both are engaged in managing the sales and finance functions of the company, respectively, and are supported in their overall operations by their sons, Aditya Vikram Aggarwal (son of Shri Krishna Aggarwal) and Ram Krishan Aggarwal (son of Radha Krishan Aggarwal). The promoters have vintage of 41 years, where they initially started off as a proprietorship firm and subsequently converted into company.

Key weaknesses

Price variation risk due to high level of stock in hand

As the group is primarily into wholesale trading of jewellery, there is an absence of back-to-back orders leading to inventory management and price volatility risk. The group maintains a wide range of jewellery to cater to regular demands of its B2B clientele, leading to higher inventory days (usually between 40-80 days). Maintaining higher inventory exposes the group to price volatility risk, mitigated through a short holding period of 1-2 days in the trading segment and timely pass-through of gold price movements in retail pricing.

Susceptibility of profitability margins to volatile gold prices

The group's PBILDT margins remain range-bound between 3% and 7% considering the volatile prices of gold and the trading nature of its business. Any adverse change in gold prices is likely to have a significant impact on the group's revenues and margins. The volatility in gold prices and regulatory control over the supply of gold significantly affect the entities engaged in gems and jewellery (G&J) business. The return on capital employed (ROCE) of the group, though stood comfortable at 17.73% in FY25, moderated in the last few fiscals due to volatile jewellery prices, impacting procurement costs and additional debt availed in the main entity.

Concentrated geographic presence

The group has a concentrated geographic presence, with sales focused in Varanasi and surrounding areas. The group primarily caters to B2B customers, with a fairly diversified portfolio where the top five customers contribute less than 15% of the overall revenue. Most sales are to smaller businessmen concentrated in nearby rural areas. The top five suppliers account for 30% of overall purchases, indicating dependence on third parties for procurement. Around 20% of jewellery designs are custom-made on a job-work basis.

Highly competitive and fragmented nature of business

The Indian retail jewellery sector is fragmented and intensely competitive with organised and unorganised players in the market. Jewellery retail is largely dominated by region-specific closely held family-managed entities. Despite Tanishq being an established and dominant brand, it faces intense competition from other regional players and local jewellers, having a bearing on business volumes and margins.

Liquidity: Adequate

The group has adequate liquidity, with a sufficient cushion in expected GCA of ~₹40 crore in FY26 against repayment obligations of ₹7.18 crore. Additionally, there are no debt-funded capital expenditure plans in the medium term. The company's bank limits are utilised to ~70%, supported by a current ratio above unity at 2.03x as on March 31, 2025.

Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Financial Ratios – Non financial Sector](#)
- [Short Term Instruments](#)
- [Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services & supplies	Trading & distributors

Incorporated in 2006, ND Sarraf Jewels Wholesale and Retail Private Limited is primarily engaged in wholesale and retail trading of gold, diamond, and silver jewellery. Having a vintage of 41 years, it was originally established as a proprietorship business and subsequently converted to private limited company. The company is a part of ND Sarraf Group, which is promoted and managed by Shri Krishna Aggarwal and Radha Krishna Aggarwal.

Combined financials:

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	821.34	1,157.43	1,057.52
PBILDT*	58.30	57.71	48.72
Profit after tax (PAT)	38.72	33.75	NA
Overall gearing (x)	0.63	0.57	NA
Interest coverage (x)	6.49	6.85	7.14

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax; 9MFY26 (9M refers to April 01 to December 31)

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST- Working Capital Limits		-	-	-	74.00	CARE BBB-; Stable / CARE A3
Term Loan- Long Term		-	-	March 2027	56.89	CARE BBB-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ST-Working Capital Limits	LT/ST	74.00	CARE BBB-; Stable / CARE A3	-	1)CARE BB+; Stable / CARE A4+ (27-Feb-25)	-	-
2	Term Loan-Long Term	LT	56.89	CARE BBB-; Stable	-	1)CARE BB+; Stable (27-Feb-25)	-	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Narayan Das Sarraf Jewellers Private Limited	Full	Operational & Financial linkages
2	Shri Krishna Radha Krishna Jewellery Manufacturing Private Limited	Full	Operational & Financial linkages
3	Radha Krishna Payal Bhandar Private Limited	Full	Operational & Financial linkages

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in</p> <p>Sachin Mathur Associate Director CARE Ratings Limited Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in</p> <p>Rohit Bhatia Lead Analyst CARE Ratings Limited E-mail: Rohit.Bhatia@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

For detailed Rating Report and subscription information, please visit www.careratings.com